

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1796
ANSWERED ON:25.07.2002
SELECTION OF LOCATION OF RO's
NARESH KUMAR PUGLIA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a): the reasons for giving free hand to the four public sector corporations regarding the selection of location of retail outlets, selection of dealers, reconstitution, resitement etc.;
- (b): whether the Government have still restrained these oil corporations to expand their trade volumes by increasing their number of retail outlets;
- (c): if so, the motive/objective behind imposing unnecessary restrictions on these oil companies; and
- (d): the time by which the Government will provide freedom in the working of these corporations?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): In order to provide the commercial freedom to the Oil Marketing Companies (OMCs), in the wake of dismantling of the Administered Pricing Mechanism w.e.f. 1.4.02, the Government has since dissolved the Dealer Selection Boards. The job of selection of dealers/distributors of petroleum products will now be undertaken by the OMCs themselves. Also, the OMCs have freedom to select locations for retail outlet dealerships, provided that the locations meet certain norms like commercial viability and non-encroachment of the existing retail outlets. Powers have also been delegated to the OMCs for resitement of retail outlets other than those from low service/remote areas and the monopoly markets, which are not covered by National/State Highway and where there is no other retail outlet within a radius of 10 KMs. The Government have also delegated the powers, subject to certain norms, for reconstitution of retail outlet dealerships to the OMCs.